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Business Studies. First Year essay.

Using relevant theory (e.g. motivation), discuss the extent to which the principles of scientific management are relevant to organisations in the early 21st century.

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The object of the study: scientific management

The context of the study: organisations in the 21st century

The method of the study: discuss if those principles are still relevant in the context of the study. The discussion implies a balanced view and at least two points of view will be presented.

The concept of scientific management was introduced in the USA, in the late nineteenth century by Frederick Winslow Taylor (1912/1970a, cited in Locke, 1982). After laws had been passed to protect the rights of the employees, such

as limiting the length of working day and prohibition of use of child labour, the employers started to think, how productivity of the workers could be increased (Fincham & Rhodes, 2005). Taylor made numerous suggestions, and in his time, they were useful and successful, since the productivity of work had improved. Scientific management was accepted and applied in many organisations of Taylor's time in the USA (Witzel, 2005). However, what was applicable a hundred years ago can be irrelevant nowadays, in the twenty-first century. **The student immediately jumps to a presumption that scientific management may not be applicable nowadays, comparing the two contexts – the context in which it emerged and the context of the study.** Locke (1982) argues that principles of scientific management are still important in modern world, but his

claims clash with key motivation theories in modern organisational behaviour, as well as with the statements made by such authors as West (2004), and Keuning, and Opheij (1994). Some of Taylor's ideas will be examined below one by one and put on one shelf for comparison and checked for compatibility with ideas of other theorists and scholars. **The student shows evidence of being familiar with the theory by citing other scholars.**

Firstly, Taylor (1912/1970a, cited in Locke, 1982) proposed breaking down the work in as many simple, primitive tasks as possible. Then every small task had to be analysed, research done, and the 'one best way' of performing it had to be found. He claimed that 'Specialization decreases learning time and increases

competence and skills' (Locke, 1982, p. 19). Splitting the task into 'a maximum number of subtasks' (Fincham & Rhodes, 2005, p. 380) means a very precise division of labour, described in Weber's account of bureaucracy (Weber, 1970, cited in Fincham & Rhodes, 2005). **The student defines scientific management in an indirect manner. In fact, this could have been done in the introduction, but does not look out of place here either.** Unfortunately, high specialisation means very little diversity in work and some authors believe this can be harmful for both the employers and the employees, the latter because 'it leads to boredom and low morale and lack of motivation due to underutilized mental capacity' (Locke, 1982, p. 19). Witzel (2005), while citing Watts in his article, uses the words 'psychological dilemma'. He states, 'either

the worker employs all his powers on the task, [establishing] undesirable limitation and stereotyping of mental process... [and his thoughts] become unduly circumscribed and uniform, and this is bad for the worker' (p. 91), or the worker carries out the mechanical tasks automatically, giving his conscious attention to other things, so that he is very little concentrated on the task itself, which is bad for the employer (Witzel, 2005). Taylor's method is highly relevant when speaking about factories where working line production is executed, but its effectiveness ends outside the doors of these factories. In the times of Taylor, which means in the times of heavy industry, the majority of labour force comprised the blue-collar, general labourers with physical strength as their main asset. Nowadays, the situation has changed. Chao (2006) states in her report that more and more

of the USA labour market is becoming engaged in the service sector (see Figure 1). Methods applied towards increasing work performance in the services sector are completely different from those in heavy industry. This statement is suggested by common sense since the services sector cannot be standardised – every customer there is unique with his or her unique needs and requests.

Another critique of Taylor's scientific management theory derives from a very categorical point he makes. Locke (1982) states, 'Taylor claimed that money was what the worker wanted most' (p. 16). Taylor, according to Locke, also argued that the worker should get a bonus – 30 to 100 per cent increase in wage – 'for learning to do his job according to scientific management' (p. 16). Locke also says

that use of money as a motivator is advocated in recent books and articles, and gives references to Lawler (1971), Locke (1975) and Vough (1975). These points clash with two organisational psychology theories at once.

The first one is Herzberg's two-factor theory (Herzberg, Mausner & Snyderman, 1959, cited in Fincham & Rhodes, 2005). The theory states that in the workplace there are two sets of factors, which influence motivation and satisfaction with the job. The first group of factors is called 'hygienes'. It consists of supervision, salary, work environment, company policies and relationship with the colleagues. The presence of 'hygienes' in the workplace does not lead to job satisfaction, but their absence decreases it, as well as motivation. In other words, the 'hygienes'

are necessary to make work conditions normal, or 'to avoid pain' (Fincham and Rhodes, 2005, p. 199). The second group is called 'motivators'. These are responsibility, recognition, promotion, achievement, and intrinsic aspects of the job. Their presence in the workplace significantly increases the individuals' motivation and job satisfaction (Herzberg, *et al.* 1959, cited in Fincham and Rhodes, 2005). Salary, as it can be seen, is in 'hygienes' group, hence, in Herzberg's view, it is not a motivator at all. One can conclude that Herzberg's theory shows money only as a means of satisfying the lower-order needs (Mitchell & Mickel, 1999). **Please note that the student does not merely describe the theories but also links them to the essay question, to the object and**

the context of the study.

Some theorists, for instance, Kohn (1993, cited in Mitchell & Mickel, 1999) believe that money is only a short-term, extrinsic reward, as opposed to long-term, intrinsic ones, 'provided by enriched work' (Mitchell & Mickel, 1999, p. 570). Kohn states that these extrinsic rewards have limited strength and duration (1993, cited in Mitchell & Mickel, 1999).

However, other theorists disagree with that and tend to believe that money is still an important motivator but the extent of its importance is conducted by individual differences (Mitchell & Mickel, 1999). Milkovich & Newman (1993, cited in Mitchell & Mickel, 1999) claim that 'organisations use money to attract, motivate, and

retain employees' (p. 569). Guzzo and Katzel (1987, p. 10, cited in Mitchell & Mickel, 1999) state that the motivation depends directly on pay. But Mitchell & Mickel (1999) also stress that need theorists – Maslow (1954) and Alderfer (1972) – 'have recognized that different people will have different-level needs for money' (p. 571). **The student presents two different opinions on the same issue, giving a balanced view.**

One must be familiar with the historical context of Taylor's theory. Merriman (2004) states that in the end of the nineteenth – beginning of the twentieth centuries the USA experienced an immigration boom. Many people left Europe seeking better life in the United States. They wanted to escape poverty or

persecution. But the life they found in the New World was also hard. They 'depended on their labor for survival' (Merriman, 2004, p. 836). They also, according to Merriman (2004) had 'harsh working conditions' and 'low wages' (p. 837). Many of these people were from poor regions like southern Italy. Many of them were Jews from Eastern Europe. Therefore, they spoke poor English, or did not speak it at all. (Merriman, 2004).

Taylor's theory was to be applied to these people, since, as common sense tells one, these people could do only simple, unskilled work, and splitting the task into subtasks made the training very easy. However, nowadays the situation is really different. Many more people are becoming skilled workers and English is a global

language, too. Hence, Taylor's principles are not that relevant. But of course, one must not forget that unskilled labour still exists, especially in the third world. Therefore, the relevance of Taylor's scientific management is determined to a large extent by the context in which these principles are applied. **The student analyses the relationship between two contexts and makes comments regarding the universal applicability of scientific management. When asked to discuss, you should often consider the following question: *Can anything be the case all the time?***

The second theory Taylor's claims oppose is Adams's Equity theory (Adams, 1965, cited in Fincham & Rhodes, 2005). The theory itself claims that the individual's

satisfaction with the job depends on the ratio between the input (the amount of work individuals put into their jobs) and the outcomes (rewards which follow their work). The values of input and reward should be equal so that the individual would be satisfied. The research says that when employees feel they are paid less than they deserve, it leads to 'numerous negative behaviours, such as turnover (Summers & Hendrix, 1991, cited in Mitchell & Mickel, 1999) and lower product quality (Cowherd & Levine, 1992, cited in Mitchell & Mickel, 1999). However, Witzel (2005) gives a very explicit example of inequity when applying scientific management. He tells about a man named Henry Knoll, 'disguised under the pseudonym "Schmidt" ' (p. 90). After redesigning his job, Schmidt's work productivity increased from 12.5 tons of pig iron carried per day, to incredible

47 tons. He received a 60 per cent pay rise. Yet, his input increased not by 60, but by 376 per cent (Witzel, 2005). Hence, according to Adams's theory he should have received a 376 per cent increase in wage, which, did not happen.

One more point of Taylor's theory that does not fit well within modern organisational theory is its emphasis on individualised work. Both West (2004) and Keuning and Opheij (1994) speak about transforming traditional hierarchically structured organisations into modern, flat, team-based ones. Hence, Taylor's view clearly opposes the trend towards group tasks, which has existed in the past four to five decades (Locke, 1982, p. 17). Taylor based his opinion on the existence of various negative phenomena occurring in group work. One of them is 'social

loafing', described by Latane, Williams and Harkins (1979, cited in Locke, 1982). It arises when people, while working together in a group, perform much worse than they would if they were working each on their own. (Latane *et al.*, 1979, cited in Locke, 1982). West (2004) states that it happens when people hide behind the group responsibility. They tend to think that since the team is jointly responsible for the outcomes of its work, and individual performance will not be emphasised, less effort can be made. Another phenomenon is called 'groupthink'. This term was introduced by Janis (1972, cited in Fincham & Rhodes, 2005). It takes place when a very cohesive team is not able to take right decisions due to the lack of the critical evaluation of proposals. The members of a successful team become convinced of their invulnerability and are unable to assume that they

may be wrong. The team members also do not object to any proposal in order not to upset the group's balance (Janis, 1972, cited in Fincham & Rhodes, 2005).

Nevertheless, although modern organisations described by West (2004) and Keuning and Opheij (1994) can face such problems, these authors give numerous arguments in favour of modern structures, since 'the benefits in terms of cooperation, knowledge and flexibility generally outweigh the costs' (Locke, 1982, p. 17). **The student anticipates and responds to potential counter-arguments.**

Another point, at which Taylor's theory is not very relevant nowadays, is found in Locke's (1982) article. Locke claims that 'Taylor did not advocate participation in

management matters by his uneducated, manual workers' (p. 19). Locke explains that with the lack of knowledge of how to do the job in 'one best way' (p. 19). This meant that it was the workers' duty to work and the managers' duty to manage. However, this was once again applicable to manual, low skilled labour, which prevailed in Taylor's times. This point of Taylor's theory is also relevant mainly to bureaucratic organisations, with a strict hierarchical structure. It had been almost the only organisational structure known until the late twentieth century, before the decade of restructuring organisations began in the 1990s (Fincham & Rhodes, 2005). Both West (2004) and Keuning and Opheij (1994) speak about adopting a new organisational structure, in which the authority and scope of control, as well as the division of tasks, are approached in a completely

different way than in organisations with a hierarchical structure. The current data says that most of the working population are employed in the services sector, and, therefore, are white-collar workers. Modern authors speak about team-structured organisations, where all workers take part in decision-making, especially concerning the improvement of work. This system is totally opposite to the one Taylor advocated.

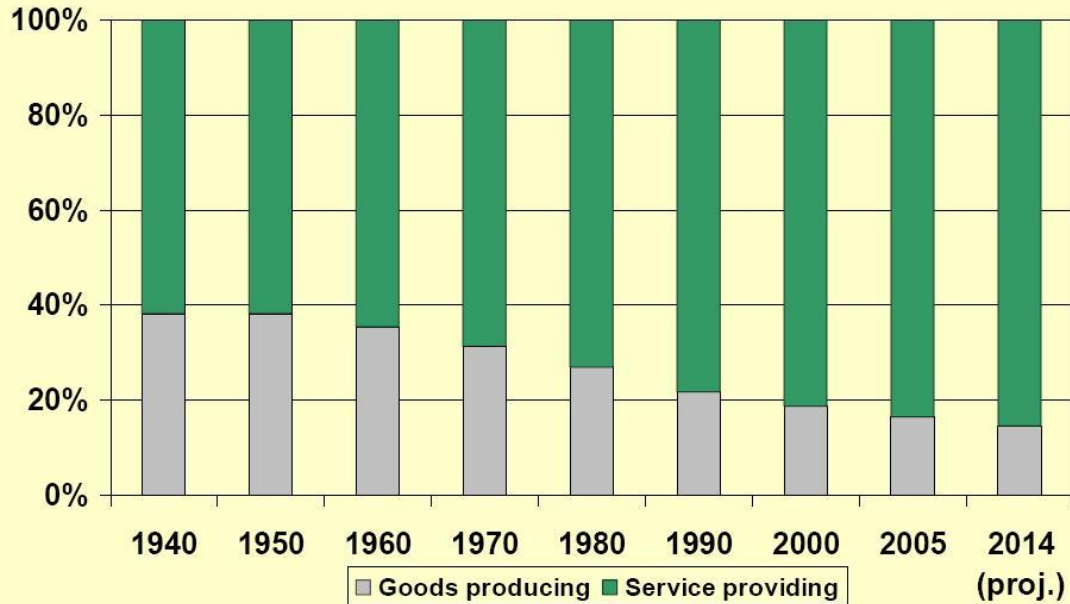
The student provides an in-depth analysis of the context of the study and links it back to the assignment question and the object of the study, exposing potential faults.

In conclusion, Taylor's principles are relevant today, but only to some extent. They can be applied in factories with working-line production, but not in the service sector, since the latter is too hard to 'standardise' and apply precise labour division. Moreover, Taylor was familiar only with the hierarchical organisation structure; hence his theory has to be adjusted to fit modern structures that organisations are implementing nowadays. Taylor's views about money as the main, even the only, motivator collide with motivation theories introduced later, and he did not take into account individual differences, the fact that people do not prioritise money in the same way. In addition, Taylor had little idea about equity between the performance and reward. Furthermore, the scientific management theory is very out-of-date due to its emphasis on individual work and

undermining the group work, which is really important in modern organisations, at least in the Western world. Taylor's ideas do not seem as something that will be forgotten, and scholars are going to advocate and criticise them for many years, as long as they are applied and at least a little relevant.

The student summarises the main arguments, using a critical approach to the object of the study.

Figure 3-1. Goods-Producing and Service-Providing Industry Employment Shares



SOURCE: Bureau of Labor Statistics, Current Employment Statistics and Employment Projections programs.

Figure 1.

Source:

Chao (2006)

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